

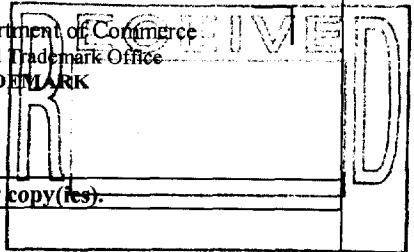
MD 10-25-99

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TRADEMARKS ONLY

U.S. Department of Commerce
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TRADEMARK



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- Assignment License
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- Merger
- Change of Name
- Other

Effective Date
Month Day Year
8/27/99

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Mark if additional names of conveying parties attached

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- Other
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Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached
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Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,942,885"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,946,829"/>	<input type="text"/>	<input type="text"/>
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Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)

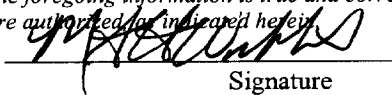
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Authorization to charge additional fees: Yes No

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To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized for indicated herein.

Mark H. Webbink
Name of Person Signing


Signature

10/21/99
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NOTICE
OF
GRANT OF SECURITY INTEREST
IN
TRADEMARKS

United States Patent and Trademark Office

Please be advised that pursuant to the Security Agreement dated as of August 27, 1999 (the "Security Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and Bank of America, N.A. (the "Lender"), the undersigned Obligor has granted a continuing security interest in and continuing lien upon, the trademarks and trademark applications shown below to the Lender for the ratable benefit of the Lenders:

TRADEMARKS

Mark: AAI with logo
Registration Date: December 19, 1995
Trademark Number: 1,942,885

Mark: Stylized Mark
Registration Date: January 9, 1996
Trademark Number: 1,946,829

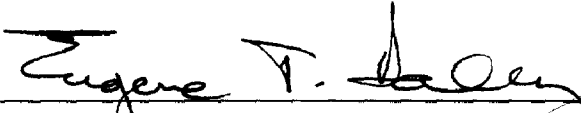
TRADEMARK APPLICATIONS

NONE

The Obligors and the Lender hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Security Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.


Very truly yours,

APPLIED ANALYTICAL INDUSTRIES, INC.

By: 
Name: Eugene T. Haley
Title: Vice President

Acknowledged and Accepted:

BANK OF AMERICA, N.A.,
as Lender

By: 
Name: David C. Houston
Title: Vice President